

House File 2180 - Introduced

HOUSE FILE 2180

BY FISHER

A BILL FOR

1 An Act reducing the state sales and use tax imposed on the
2 sales price of American-made products.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 423.3A **Reduced rate —**
2 **American-made products.**

3 1. Notwithstanding section 423.2, a tax of three percent
4 shall be imposed upon all sales of personal property sold at
5 retail in the state if the personal property is primarily
6 manufactured in the United States.

7 2. This section does not apply unless the manufacturer
8 certifies the personal property has been primarily manufactured
9 in the United States.

10 3. As used in this section, "*manufacturer*" means a business
11 that primarily purchases, receives, or holds personal property
12 of any description for the purpose of adding to its value by a
13 process of manufacturing with a view to selling the property
14 for gain or profit.

15 4. The department shall adopt rules pursuant to chapter 17A
16 to administer this section.

17 Sec. 2. NEW SECTION. 423.5A **Reduced rate — American-made**
18 **products.**

19 1. Notwithstanding section 423.5, an excise tax of three
20 percent of the purchase price shall be imposed upon the use in
21 this state of tangible personal property purchased for use in
22 this state if the personal property is primarily manufactured
23 in the United States.

24 2. This section does not apply unless the manufacturer
25 certifies the personal property has been primarily manufactured
26 in the United States.

27 3. As used in this section, "*manufacturer*" means a business
28 that primarily purchases, receives, or holds personal property
29 of any description for the purpose of adding to its value by a
30 process of manufacturing with a view to selling the property
31 for gain or profit.

32 4. The department shall adopt rules pursuant to chapter 17A
33 to administer this section.

34 EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1 the explanation's substance by the members of the general assembly.

2 This bill reduces the state sales and use tax imposed on the
3 sales price of American-made products.

4 The bill reduces the state sales and use tax rate from 6
5 percent to 3 percent on the sales price of personal property
6 subject to such tax in this state, if the personal property is
7 primarily manufactured in the United States.

8 The bill does not apply unless the manufacturer certifies
9 the personal property has been primarily manufactured in the
10 United States.

11 The department of revenue is required to adopt rules to
12 administer the bill.